

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GRAYSON RURAL)	
ELECTRIC COOPERATIVE CORPORATION FOR AN)	
ORDER AUTHORIZING IT TO BORROW FROM)	
AND EXECUTE A NOTE TO THE NATIONAL)	
RURAL UTILITIES COOPERATIVE FINANCE)	
CORPORATION IN THE AMOUNT OF \$802,062)	CASE NO.
TO PROVIDE FUNDS FOR THE CONSTRUCTION)	93-248
OF DISTRIBUTION AND SERVICE LINES,)	
MISCELLANEOUS CONSTRUCTION INCLUDING)	
TRANSFORMERS, SYSTEM IMPROVEMENTS,)	
LABOR, MEMBER SERVICE MATERIAL AND)	
OTHER EXPENSES AND CONTINGENCIES)	

O R D E R

On September 27, 1993, Grayson Rural Electric Cooperative Corporation ("Grayson") filed its responses to the Commission's September 14, 1993 Order. Grayson indicated in its response that its pending loan application with the National Rural Utilities Cooperative Finance Corporation ("CFC") has been approved. However, the concurrent loan application with the Rural Electrification Administration ("REA") has not been approved. The final CFC loan amount and loan capital term certificate requirement will not be known until REA completes its review of the loan application.

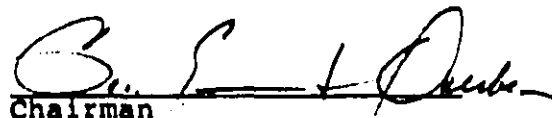
KRS 278.300(2) requires applications for authority to issue or assume securities or evidence of indebtedness to be ruled on within 60 days unless it is necessary for good cause to continue the application. The Commission must rule on Grayson's financing application by October 4, 1993. Because all necessary loan

approvals have not been received by Grayson, the Commission finds that good cause exists to continue the financing application beyond the 60-day period specified in KRS 278.300(2).

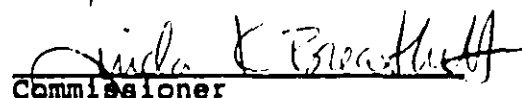
After consideration of the motion and being otherwise sufficiently advised, the Commission HEREBY ORDERS that the portion of Grayson's application for authorization to incur additional indebtedness is hereby continued beyond the 60-day period specified in KRS 278.300(2).

Done at Frankfort, Kentucky, this 30th day of September, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director